

**GOVERNMENT OF INDIA  
HEALTH AND FAMILY WELFARE  
LOK SABHA**

STARRED QUESTION NO:323

ANSWERED ON:04.02.2004

ALLEGED IRREGULARITIES IN PURCHASE OF CGHS MEDICINES

NARESH KUMAR PUGLIA;SHIVRAJ SINGH CHOUHAN

**Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:**

- (a) whether the CBI has recently unearthed a racket relating to alleged irregularities in the purchase of drugs for CGHS dispensaries;
- (b) if so, the facts and details thereof;
- (c) whether any inquiry has been conducted by the Government in this regard;
- (d) if so, the outcome thereof; and
- (e) the action taken / proposed to be taken by the Government against those found guilty in this regard?

**Answer**

MINISTER OF HEALTH AND FAMILY WELFARE AND PARLIAMENTARY AFFAIRS(SMT. SUSHMA SWARAJ)

(a)to(e):A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 323 FOR 04.02.2004

The Central Bureau of Investigation (CBI) had recently conducted raids at the house/premises of some officials and some other private individuals and has registered two FIRs, viz. CBI/EOU.VII/1 dt 12.01.04 and CBI/EOU.VII/2 dt. 12.01.04 u/s 120-B, 240 IF and s.13(2) r/w s.13(l)(d) of Prevention of Corruption Act, 1988.

The first FIR relates to entering into a criminal conspiracy to cause undue pecuniary advantage to the accused and corresponding financial loss to the Government of India. It is alleged that the Chemist charged higher prices as well as higher Sales Tax rate and the bills were passed by the two accused Accounts Officers.

In the second FIR it is alleged that instead of procuring medicines from manufactures through Medical Stores Organisation (MSO), more and more medicines were purchased from local chemists and criminal conspiracy was entered into in the selection and empanelment of local chemists. It is also alleged that when the list of chemists for the CGHS dispensaries was being finalised in the year 2001 after carrying out the formalities by the Selection Committee, the originally approved list was suo motto changed by the then Additional Director, CGHS(HQ) by inserting names of certain chemists for different dispensaries.

Since CBI is still investigating the matter, necessary action would be taken up after the outcome of the investigation is known. However, before the action taken by the CBI, the Ministry of Health & F.W. had independently initiated departmental proceedings for major penalty against Dr. Jawahar Lal, the then Additional Director, CGHS(HQ).